

of failures with the aggregate number of similar business concerns (incident to these contingencies), and thus obtaining the ratio, when sanity of reflection will be restored. This consideration of the ratio between the cases which happen and *all* cases (of a similar nature) which happen and have not happened applies to every exercise of judgment and forecast.

(c) *Amalgamations*.—A definite tendency exists at the present time towards the union or amalgamation of extensive businesses of the same class. To the principle of amalgamation and the wisdom of its adoption no valid objection can be urged in a considerable number of instances which can be readily conceived. But the possible danger confronting us in the present mania for these arrangements should be seriously pondered.

By the creation of these vast monopolies, public convenience and economy and comfort of living may be gravely jeopardised; for through the absence of healthy competition, arbitrary practices by combination may result, and even the most necessary articles may rise far in excess of their normal value, while a restoration to reasonable prices is frustrated by the suppression of smaller companies under the weight of these dominating opponents. When we now apply to a company and fail to receive what we deem to be equitable terms, we turn to a competitor and secure our desires ; but the cancel-ment of competition tends to render us slaves to whatever requirements the monopolists may demand. Public facilities and legitimate public rights may thus be menaced and defeated. During the period only since 1891 the number of joint-stock banks has been reduced from 106 to 31: the diminution of competition, in the interests of mercantile energy and enterprise, is thus startlingly evident; and this with an augmenting area of business. It has been shown that, by the combinations effected in 1918 alone, the amalgamated banks (about half-a-dozen in number) represent resources of £1,370,000,000 in capital, reserves, and deposits out of the aggregate resources of £2,000,000,000 held by *all* banking institutions, or a proportion of over 68 per cent. The situation should be regarded in relation to

the anticipated widening of commercial operations, in the ' national interests, and the provision of correlated financial aid and helpful conveniences. It has, again, been stated that-